

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

FILED
U.S. DISTRICT COURT
EASTERN DISTRICT OF TEXAS

MAY 13 2008

UNITED STATES OF AMERICA

-vs.-

RICHARD KIRKPATRICK

§
§
§
§
§

Criminal No. 4:08cr
Judge *Schell*

DAVID J. MALONE, CLERK
BY
DEPUTY *92*

INFORMATION

The United States Attorney's Office charges that:

COUNT ONE

Violation: 18 U.S.C. § 371
(Conspiracy to Commit Wire Fraud in
violation of Title 18, United States Code,
Section 1343)

Introduction

At all times material to this Information:

1. Defendant **RICHARD KIRKPATRICK** ("KIRKPATRICK") was a real estate appraiser licensed by the state of Texas with state license number TX-1332876-L.
2. **KIRKPATRICK** was responsible for independently appraising the value of houses that were in the sales process and submitting the independent appraisal to lending institutions so that the lending institutions could determine whether or not to fund mortgage loans.
3. Argent Mortgage Company ("Argent") was a lending institution located at 2550 Golf in Rolling Meadows, Illinois, that accepted applications for and funded mortgage loans.

4. The Co-Conspirator ("Co-Conspirator") was a person known to the United States Attorney who, through business entities that he controlled, purchased newly-constructed houses directly from builders in order to immediately resell them to other individuals.

The Conspiracy and its Objects

5. Between on or about August 10, 2004 and on or about May 20, 2006 in the Eastern District of Texas, **KIRKPATRICK**, the Co-Conspirator, and other individuals both known and unknown conspired, confederated, and agreed to devise a scheme and artifice to defraud and to obtain money by means of false and fraudulent pretenses, representations, and promises, and in execution of the scheme and artifice, to cause writings, signs, and signals to be transmitted by means of wire communication in interstate commerce, a violation of Title 18, United States Code, Section 1343.

Manner and Means of the Conspiracy

It was part of the manner and means of the conspiracy that:

6. The Co-Conspirator purchased or caused to be purchased newly-constructed houses directly from builders in cash transactions.

7. The Co-Conspirator arranged for subsequent and immediate sales of the newly-constructed houses to individuals who did not intend to live in the houses as a primary residences ("Investors").

8. The Investors completed and signed Uniform Residential Loan Applications in order to obtain mortgage loans from Argent to purchase the houses from the Co-Conspirator.

9. Argent requested that appraisals be conducted in order to determine the value of the houses.

10. The Co-Conspirator contacted **KIRKPATRICK** by means of wire communication and directed **KIRKPATRICK** to reach target prices for the houses by inflating the value of the houses by amounts ranging in value from in excess of \$30,000 to almost \$300,000.

11. The Co-Conspirator provided **KIRKPATRICK** with supporting documents by means of wire communication in order to falsely justify the inflated appraisal amounts.

12. **KIRKPATRICK** completed the appraisals and falsely inflated the values of the houses as directed by the Co-Conspirator.

13. **KIRKPATRICK** signed and certified the false appraisals and caused them to be submitted to Argent by means of wire communication in order to induce Argent to extend mortgage loans to the Investors and complete the sales.

14. Argent relied in significant part on the false appraisals to extend mortgage loans to the Investors; Argent extended these loans by means of a wire transaction.

15. The Co-Conspirator received the bulk of the price differences between the amounts the Co-Conspirator paid to purchase the houses from the builders and the amounts corresponding to the inflated appraisals for which the Co-Conspirator sold the houses to the Investors.

16. The Co-Conspirator paid **KIRKPATRICK** a standard fee for appraisal services in an amount customary to the industry for performing the false appraisals; the Co-Conspirator did not pay **KIRKPATRICK** a kickback for performing the false appraisals.

Overt Acts

In furtherance of the conspiracy and to effect its objects and purposes, **KIRKPATRICK** and the Co-Conspirator, within the Eastern District and elsewhere, committed, among others, the following acts:

17. For a property located at 1118 Silverhorn in Frisco, Texas, in the Eastern District of Texas:

a. On or about September 29, 2004, **KIRKPATRICK** completed and signed a false appraisal reflecting a fraudulent inflation of \$70,000.

b. On or about October 6, 2004, **KIRKPATRICK** caused the false appraisal to be sent by wire communication, to wit, electronic mail, from McKinney, Texas in the Eastern District of Texas to Argent in Rolling Meadows, Illinois.

c. On or about October 24, 2004, based in part on the false appraisal submitted by **KIRKPATRICK** and instructions that the Co-Conspirator caused to be provided to Argent, Argent disbursed approximately \$315,000 by means of wire transaction to the Co-Conspirator.

18. For a property located at 2230 Jaguar in Frisco, Texas, in the Eastern District of Texas:

a. On or before May 23, 2005, **KIRKPATRICK** completed and signed a false appraisal reflecting a fraudulent inflation of \$95,722.

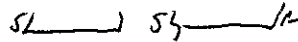
b. On or before May 23, 2005, **KIRKPATRICK** caused the false appraisal to be sent by wire communication, to wit, electronic mail, from McKinney, Texas in the Eastern District of Texas to Argent in Rolling Meadows, Illinois.

c. On or about June 16, 2005, based in part on the false appraisal submitted by **KIRKPATRICK** and instructions that the Co-Conspirator caused to be provided to Argent, Argent disbursed approximately \$300,000 by means of wire transaction to the Co-Conspirator.

All in violation of 18 U.S.C. § 371.

Respectfully submitted,

JOHN L. RATCLIFFE
United States Attorney



Shamoil T. Shipchandler
Assistant United States Attorney
101 East Park Boulevard, Suite 500
Plano, Texas 75074
tel: (972) 509-1201
fax: (972) 509-1209

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION

UNITED STATES OF AMERICA

-vs.-

RICHARD KIRKPATRICK

§
§
§
§
§

Criminal No. 4:08cr
Judge

NOTICE OF PENALTY

COUNT 1

Violation: Title 18, United States Code, Section 371

Penalty: Not more than five years imprisonment, a fine not to exceed \$250,000, or not more than the greater of twice the gross gain to the defendant or twice the gross loss to one other than the defendant, or both; supervised release of not more than three years.

Special
Assessment: \$100.00